Previous references
Mc 283-13 & 14

1914

(Municipal)

File No 97-14

Serial Nos 145

Later references
Mc 97-14 & 7440 B Dec 1915
" 94-15 & 3-6 B Sept 1916
" 127-16 & 142 B Nov 1916

Pressing

GENERAL AND REVENUE SECRETARIAT

Serial Nos 145

Part B for January, 1915

SUBJECT

Investment of the B'lore City Mc amount and Govt orders connected therewith.

Sl 1 From the Chief Secy, Mc Cc B'lore City No 5 D/6 7 14
Requests reconsideration of para I & II (4) of G O No 1882-5 Mc 283-13-4 D/27th May, 1914 about the investment of the revenues of the B'lore City Municipality in the P'sore Bank &c

Sl 5 G O No 5265-8 of the 6th Jan'y, 1915
Declines to modify the arrangement already sanctioned in respect of the investment of the sum of Rs 75,000 out of the amount at the credit of the Municipality, and passes orders on other points connected therewith

G R S 58

GPB—4,000—4-7 11

SP Chettiyar
21/2/15

GRS 11] 1917

GENERAL AND REVENUE SECRETARIAT

(Secret.)

NOTES

File No 97

FILE HEADING

Investment of surplus funds of Municipalities.

From

The Resident and Council Bangalore City

No 5 Dated 6 7 14 Received 9 7 14

Diary No 341	Enclos	Spare Copies	Serial No 1

BRIEF ABSTRACT OF LETTER

Requests recommendation of para I (E)(1) of G.O No 11992-5 Jud 283-13)-4 dd the 27th May 1914 about the investment of the revenue of the Bangalore City Municipality in the Imperial Bank &c

NOTES AND ORDERS

2) The points for consideration in this case are (3)

(a) Investment in the Imperial Bank of the whole amount of Rs 75000, instead of half such amount being invested in the Government

NOTES—First Sheet

GPB—35 000 15-6 12

G R S 12]

General and Revenue Secretariat

File No 97 of 1914

Serial No

securities as detailed in Treasy O referred to above

(b) Deposit with the Imperial Bank of the excess over 15 000 in the floating account not earning interest

(c) Consultation of the Ind Council by the Comptroller while authorising adjustments in accounts

(3) With reference to (a) it is submitted that only the amount required to be withdrawn in the Imperial Government securities to ensure a safe investment. The Ind Council want to keep the whole amount in the Imperial Bank probably with a view to earn more interest

With reference to (b), it is submitted that the Treasurer's proposal to keep the whole amount in the Imperial Bank was to allow some margin to the Bank for the work thrown on it by the daily transactions of the Municipality

With reference to (c), the Ind Council are entitled to know about their expenditure & it is presumed that the Comptroller is submitting them

NOTE—Contn sheet

GPE—10 000—13-6-15

Serial No

Z

as required by para 21 of G.O. No. 8692-708 dated 69-09)-24

dt the 1st April 1910.

4) Br I may be consulted with regard to subsequent recommendations of Audit Council

5) Subd for orders

TA 61 I In favour of opinion

46 7-14

Br

17/7 Br II)

Subd

Y 7 Please see financial opinion in Fol 283-13 - Notes pages 4 to 16

Abk SW 23/7/14 8 Having permitted the Milk to enter on a Bench there are minor details & Since the Bench cannot accept two other Conditions we must allow that the Bench - the proposal of the Md Comm may be sanctd - We request the Govt in advance that no Bench shd be appointed after four months without their concurrence just reasonable -

26-7-14

PDG

NOTE—Contn sheet

G.P.B.—10000—13-6-14

G. R S 12]

General and Revenue Secretariat

341 344

Wt File No 97 of 1914

Serial No

80

9 I am of opinion that no change in the last order of 27 5. 1914 is called for. It maybe explained that the intention of Clause (iv) is that the balance in the floating acct should not be allowed to rise beyond Rs 25-000/- i.e when the balance will rise above this some by further remittances, the money should be sent to the Bangalore Treasury instead of the Bank. The Himself will always have a balance in the Bank at 2/ interest in the floating acct & this cheap money will be the Bank's remuneration - Banks which keep current accounts always do it for such consideration & not in the hope of the maximum limit on which interest is allowed being exceeded - JM 28/7

for iv

4/5/14

10 Subs for orders

TDJ 61
30/7/14

Bde DH Sec 4

Hon 1/8

11 The Comptroller is not in favour of the floating account maintained in the Bank being allowed to rise

NOTE—Contn sheet

GPB—10 000—13 6 14

R S 12]

General and Revenue Secretariat | Part File No. 97 of 1914.

Serial No

above Rs 25000 the Bank is not prepared to pay interest on current account when it exceeds Rs 25000 and it wants to have the advantage of opening an Municipal fund above that limit without paying any interest & thinks the concessions already offered viz to allow Rs 37500 out of the whole of the Municipality to be invested as a fixed deposit in the Bank and to allow a current account to be opened only to the extent to which the Bank is prepared to pay interest viz Rs 25000 seem to be sufficient the proposal of the Municipal Council while it is in no way advantageous to them seems to me to venture somewhat slightly beyond the limits of safety having regard to the fact that the Bank has just begun its existence

Dewan

Rs
2/8/14 HB 3 Aug

655
4 8 14

NOTE—Contn sheet

GPB—60 000—7 11 13

G R S 12]

General and Revenue Secretariat | Ml File No. 97 of 1914

Subject – Investment of the surplus funds of the Bangalore Municipality

Serial No

12 I agree with the Financial Secretary that the arrangement sanctioned in paragraph 1 of the G.O. of 27th May 1914 in respect of the investment of the sum of Rs 75,000 needs no modification. It is not to the interests of the Municipality that they should have all their money deposited in one Bank

13 As regards the amount to be kept in the floating account, I see no objection to allow the Municipality to have all its available balances in the Bank, though interest is earned only up to a sum of Rs 25,000 Instead of the money lying idle in the treasury, it will be an advantage to trade if it is allowed to circulate freely through the Bank

14 Please circulate to the Members of Council and, if they agree, issue orders accordingly

28 8 14 RC

15 Submitted to the members of Council

28/8

16 I am in entire agreement with Hon'ble Legal Member's Well

31/8

17 I agree with the Dewan

NOTE—Contn sheet

GPB—10 000—18 6 14

General and Revenue Secretariat

File No. 97 of 1914

Serial No

think it would be very easy for the Municipal Board so to manage its transactions as to have little over a floating balance of 25000 Rs. in the Bank.

5/9/14

715

6 Please put up a draft

715

20 Please put words wrapt as indicated

19 Draft submitted

Draftsman

10 9 14

21 Revised draft submitted

Draftsman

12.9.14

22 Draft sent to office

as the 2nd Secretary office has a different opinion the case may have to go up to G.I.H.

Draftsman

15/9/14

NOTE—Contn sheet.

GPB—10,000—18-6 14

9

Submitted to His Highness

Draft for approval

I submit herewith a draft order relating to the investment of surplus revenues of the Bangalore City Municipality in the Bank of Mysore.

Flag Y

2 In Government Order dated the 27th May 1914, Government sanctioned the investment of Rs 75,000 out of the surplus funds of the Municipality, half in the Bank of Mysore and the other half in readily realizable Government securities They also directed that the Municipality may conduct all their transactions through the Bank provided that any excess over Rs 25,000 in the floating account, not earning interest, is transferred from the Bank to the Bangalore District Treasury

Papers under Disposal Lists Enclosures

3 The Municipal Council now request that

(1) they may be allowed to invest the whole of the amount, viz , Rs 75,000 in fixed deposit in the Bank instead of half of it as laid down in the Government Order, and

(2) that they may be allowed to keep in their floating account with the Bank all the available balances even though interest is earned only up to Rs 25,000

Page 4 of Office Note (ne 97-14)
Page 6 of office Note

4 The Financial Secretary is of opinion that no change in the Government Order of May 1914 is called for and the Second Member agrees with him

5 I am of opinion that it is not to the interest of the Municipality that they should have all their money deposited in one Bank In this respect, the orders already issued need no change As regards the

the amount to be kept in the floating account , the Municipal Council may be allowed to have all their available balances in the Bank, as it will be an advantage to trade if the money is allowed to circulate freely through the Bank instead of lying idle in the Treasury The First Member and the Extraordinary Member agree with me.

Pages 6 to 8 of office note.

6. The draft order put up which deals with all the points raised by the Bank may be graciously approved.

Draft for approval

SDN

ok VS Wednesday
16 Dec 1914

341

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject

25 Draft order relating to the investment of surplus revenues of the Bangalore City Municipality in the Bank of Mysore

571

Order

~~KRW~~

26/12/14

Secretary

26/12/14 dc

26 Secretary 28/12

12

[A R S 12]

General and Revenue Secretariat | dl File No. 97 of 1916

Serial No	
5	W.S. O. No. 5285-8 dated the 6th Jan? 1915 Declines to modify the arrangement already sanctioned in respect of the investment of the sum of Rs 75,000 out of the amount at the Credit of the Municipality and passes orders on other points connected therewith

NOTE—Contn sheet

GPB—25 000—

B. M 109]

No 5
Enc 2

2197-14/821

OFFICE OF THE PRESIDENT,
MUNICIPAL COUNCIL,

BANGALORE CITY, DATED 6th July 1914

D 341

FROM

DEWAN BAHADUR RAJA SABHA BHUSHANA
K P PUTTANNA CHETTY, ESQ,
Honorary President, Municipal Council,
Bangalore City

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
General and Revenue Departments,
Bangalore

SIR,

Adverting to Government Proceedings No. 11882-5/M1.283-13-4 dated the 27th May 1914, passing orders in the matter of investing the City Municipal funds in the Bank of Mysore and conducting all transactions of the Municipal Council through the agency of the said Bank, on certain stipulated terms, I have the honor to submit herewith copy of resolution dated the 27th June last, stating that the Bank has declined the terms offered by Government and requesting a reconsideration of para I and clause (iv) of para II of the Government Order quoted above. Copy of the Bank Manager's letter No. 4/4939 of 18th June last is also enclosed.

2. With reference to para I of the Government Order the Council would for obvious reasons prefer to invest the whole of their surplus funds ₹ 75,000/- as a fixed deposit in the Bank of Mysore

3. The Council gladly accept the conditions laid down in clauses (i) (ii) and (iii) of para II, but would request that no adjustment

GPB—2,000—20-8-18

191

From

To

Dated

Despatched

Received

General No
No

Enclosure No

adjustments be allowed to be made by the Comptroller without the previous concurrence of the Municipal Council in each case.

4. The Bank authorities do not agree to the condition contained in clause (iv) para II for reasons given in the Manager's letter above referred to. I have already explained in para 4 of my letter No. 250 of 18th February last why a larger amount is necessary to be kept as a current deposit than Rs 25,000/- which is the maximum on which interest will be payable. The Council recognize the reasonableness of the Bank's contention in this respect.

5. I beg that in the circumstances stated, the Government may be pleased to revise their order agreeably to the views of the Municipal Council, which it is hoped will commend themselves to Government as being reasonable and conceived in the best interests of the tax payers.

I have the honor to be

Sir,

Your most obedient servant

Honorary President.

Extract from the Proceedings of an Ordinary General Meeting of the City Municipal Council, Bangalore, held at the Office Premises at 7-30 A.M., on Saturday the 27th June 1914. 3

Enclosure 97-14
84

P r e s e n t.

Dewan Bahadur Rajasabha Bhushana K.P. Puttanna Chetty Esqr, Honorary President.

R. Subba Rao Esqr, M.B.C.M.,L.S.Sc. Health Officer.

Rev E.S. Edwards.

C.V. Narasimhiengar Esqr, B.A.B.L.,

D.B. Ramachendra Mudaliar Esqr.,

G. Rajappa Esqr.,

B. Chinnaswami Chetty Esqr

B.K. Garuda Char Esqr.

S.N. Subba Rao Esqr.,

H.K. Veerabasavayya Esqr, B.A.B.L

D. Adeppa Esqr.,

G. Siddaveerappa Esqr.,

B.V. Ramaswami Chetty Esqr, B.A.,

B. Usman Khan Esqr.,

B. Abdur Rahmon Esqr, B.A.,

H. Ramaiya Esqr.,

B. Hanumappa Esqr.,

S. Ramachandraswami Esqr, B.A.,

D. Venkataramaiya Esqr, B.A.,

S. Venkatarangiengar Esqr.,

A b s e n t.

The Executive Engineer, Bangalore Division.

The Amildar, Bangalore Taluk.

B. Ramaswamiah Esqr, B.A.,

M. Subbaiya Esqr., B.A.,

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8. Government Proceedings No. 11882-5/Ml. 283-13-4, dated the 27th May 1914 passing orders IN RE the investment of the funds of the Bangalore City Municipal Council in the Bank of Mysore and the conducting of all its transactions through the agency of the said Bank.

Resolution - The management of the Bank having declined the terms offered by Government and the Municipal Council having submitted their proposals after due deleberation and fully realizing their responsibilities and privileges as a self-governing body, they would respectfully urge a reconsideration of para I and clause (iv) of para II of Government Order quoted above.

The

The Council agree to the stipulations mentioned in the first 3 clauses of para II. They would however request that no part of the deposit of ₹5000/- may be adjusted except with the concurrence of the Municipal Council.

Sd. K.P. Puttanna Chetty,
Honorary President.

"COPY".

K.P. Puttanna Chetty
Honorary President.

5

Copy of letter No. G.L. 4/4939 dated the 18th June 1914 From the Manager, The Bank of Mysore, Ltd., to the Honorary President, Municipal Council, Bangalore City.

---------- Enc to 2097-116/811

We are in receipt of your letter dated 29th May, 1914 No. 2780 enquiring if we are agreeable to the conditions contained in paras (i) and (ii) of Government Proceedings No. 11882-5/M1. 283-13 dated 27th May 1914 relating to the deposit of Municipal funds in the Bank.

In reply, we would kindly invite your attention to the penultimate para in our letter to you dated 12th January 1914 No. G.L. 2/1385, wherein, it is stated that the terms quoted by us are subject to the Municipality conducting all its Banking operations through the Agency of the Bank. The conditions therefore laid down by Government in Sub paras (i) and (ii) of their letter quoted thus contravene our essential stipulation.

As regards the suggestion of Government in para I for a "readily realizable security", we would like to inform you that the Bank will, at all times, be prepared to make an advance against its fixed Deposit at 1% above the rate of interest allowed thereon, and also to suggest your making Fixed Deposits of ₹12,500/- each maturing after 12, 14, 16, 18, 20 and 22 months at the outset, making ₹75,000/- in all, and each deposit renewable thereafter for periods of 12 months By this arrangement, the Council will, automatically, every second month, have at their disposal the sum of ₹12,500/-.

Next, the proposal contained in para II Cl.(iv), in addition to being unworkable, is not acceptable to us. It is inconceivable to think that we could agree to pay interest on the full maximum balance of ₹25,000/- in Floating a/c when [redacted] portion of the same can likely be available to the Bank for its use. We cannot be expected to work gratuitously, and which would undoubtedly be the case under terms proposed by Government

" C O P Y ".

[redacted] Hammaghett

Honorary President.

ab 6

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF

M Y S O R E.

B
Sfr

R E A D:-

Govt Order No.11882-5/
M 283-13-4 dated the 27th May 1914
conveying sanction to the investment
of the surplus funds of the Bangalore
City Municipality in the Mysore Bank
Limited and to the conduct of all the
transactions of the Municipality
through the agency of that Bank, sub-
ject to certain conditions

Sdbg Mr A V Ramanathan

2. Letter No.5 dated the 6th
July 1914 from the President, Banga-
lore City Municipal Council, stating
that the Bank of Mysore has declined
to accept the conditions imposed in
para I and clause (iv) of para II of
aforesaid order, and ~~regulating~~ requesting

1/4

requesting in the circumstance a reconsideration of that order in this respect and also a direction to the Comptroller that no adjustments should be made by him out of the funds of the City Municipal Council without the previous concurrence of the Municipal Council in each case.

--- o O o·---

Order thereon No. 5285-8 ml97-14-5

Dated, Bangalore, 6-1 15 ~~Septr ,14~~

Government are not satisfied that there is any need to modifying the arrangement sanctioned in para I of the order referred to above in respect of the investment of the sum of Rs 75,000 out of the amount at the credit of the Municipality

2. As regards the amount to be kept in the floating account, however,

however, Government see no objection to the Municipal Council having all their available balances in excess of Rs.5,000 in the Mysore Bank, Limited, though interest is earned only up to a sum of Rs.25,000 and they will be authorised to do so.

3. With reference to the other point raised by the President, Government observe that the Comptroller has no authority to effect adjustments without the concurrence of the Municipal Council.

For Offg. Secretary to Govt

To

The President, Bangalore City Municipal Council

The Deputy Commissioner, Bangalore District

The Comptroller to Government

The Manager of the Mysore Bank, Limited

H.K S.

Investment of the Surplus Funds of the Bangalore City Municipality in the Mysore Bank, Limited

No 5265-8—Ml 97-14-5, dated 6th January 1915

GOVERNMENT OF MYSORE

GENERAL AND REVENUE DEPARTMENTS

Read—

Government Order No 11882 5—Ml 283-13 4 dated the 27th May 1914, conveying sanction to the investment of the surplus funds of the Bangalore City Municipality in the Mysore Bank, Limited, and to the conduct of all the transactions of the Municipality through the agency of that Bank, subject to certain conditions

2 Letter No 5, dated the 6th July 1914, from the President, Bangalore City Municipal Council, stating that the Bank of Mysore has declined to accept the conditions imposed in para I and clause (iv) of para II of the aforesaid order, and requesting in the circumstance a reconsideration of that order in this respect and also a direction to the Comptroller that no adjustments should be made by him out of the funds of the City Municipal Council without the previous concurrence of the Municipal Council in each case

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Order No 5265-8—Ml 97-14-5, dated 6th January 1915

Government are not satisfied that there is any need to modify the arrangement sanctioned in para I of the order referred to above in respect of the investment of the sum of Rs 75,000 out of the amount at the credit of the Municipality

2 As regards the amount to be kept in the floating account, however, Government see no objection to the Municipal Council having all their available balances in excess of Rs 5,000 in the Mysore Bank, Limited, though interest is earned only up to a sum of Rs 25,000 and they will be authorised to do so

3 With reference to the other point raised by the President, Government observe that the Comptroller has no authority to effect adjustments without the concurrence of the Municipal Council

D M NARASINGA RAO,
Offg Secy to Govt, Gen & Rev Depts

To—The President, Bangalore City Municipal Council
The Deputy Commissioner, Bangalore District
The Comptroller to Government
The Manager of the Mysore Bank, Limited

Exd —C E

16

Government of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. 5265-8—Ml. 97-14-5, 6th January 1915.

Investment of the Surplus Funds of the Bangalore City Municipality in the Mysore Bank, Limited

Declines to modify the arrangement sanctioned in para 1 of Government Proceedings No 11882-5—Ml 28-13-4, dated the 27th May 1914, in respect of the investment of the sum of Rs 75,000 out of the amount at the credit of the Municipality and passes orders on other points connected therewith

GPB—250—25 1 15